



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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May 20, 2010

To: Supervisor Gloria Molina, Chair  
Supervisor Mark Ridley-Thomas  
Supervisor Don Knabe  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

From: William T Fujioka  
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name of the Chief Executive Officer.

## **REPORT ON ELEVATOR MECHANIC CENTRALIZATION PROPOSAL (RESPONSE TO ITEM 63-C, AGENDA OF APRIL 20, 2010)**

On April 20, 2010, acting on a motion by Supervisor Antonovich, your Board directed this Office to provide a report identifying all contracted services that are proposed to be reduced or eliminated and replaced with County staff, including the Sheriff's elevator maintenance services contract, along with a fiscal analysis per contract or type of service in 30 days.

### Background

The fiscal year (FY) 2010-11 Proposed Budget includes recommendations to reduce contracted services and replace them with County staff for the Department of Public Social Services (DPSS) and the Department of Health Services (DHS).

DPSS has used an Information Technology Support Services Master Agreement (ITSSMA) contractor as an Information Technology (IT) quality assurance consultant. This individual has reviewed the change orders needed for the Los Angeles Eligibility Automated Determination, Evaluation and Reporting (LEADER) System. When the contract was initiated, it was believed that the need for the service would be short term. However, there has been an ongoing need for this service.

The cost of the contractor has been \$20,000 per month plus \$2,400 (12 percent) in Internal Services Department (ISD) administrative costs, for an annual total cost of approximately \$269,000. The contracted service was replaced by one full-time Senior

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Information Systems Analyst at a cost of \$118,000 in Salaries and Employee Benefits. This would represent a savings of \$151,000 or 56 percent of the current cost.

DHS has used eight ITSSMA contractors to perform highly specialized application integration, systems programming, database administration, and 24/7 technical support in Health Services Administration. These individuals have supported IT projects and activities for the enhancement of the Enterprise Data Repository (EDR) and the Encounter Summary Sheet (ESS); integration with the Emergency Department Information System (EDIS) and Operating Room Scheduling Office System (ORSOS); migration of data among Oracle environments; and operational support of various other DHS IT systems. When these contracts were initiated, it was believed that the need for the services would be short term. However, there has been an ongoing need for these services due to DHS' plans to transition to a fully integrated health care delivery system and the need to implement an Electronic Health Record (EHR) System.

The cost of these eight ITSSMA contractors has been \$195,576 per month plus \$23,469 (12 percent) in ISD administrative costs, for an annual total cost of approximately \$2,629,000. DHS plans to replace these contracted services with seven full-time positions, consisting of two existing Information Technology Specialist I's and five new full-time positions consisting of two Senior Application Developers, one Principal Application Developer, and two Information Technology Specialist II's at an annual cost of approximately \$1,102,000 in Salaries and Employee Benefits. This would represent a savings of approximately \$1,527,000 or 58 percent of the current cost.

Therefore, during the current budget crisis, the exchange of the consultant contracts for DPSS and DHS were deemed efficiencies and were included in the Proposed Budget.

The FY 2010-11 Proposed Budget also includes a recommendation to centralize elevator mechanic services under ISD. This recommendation was based on a need to maintain core County expertise in elevator maintenance and avoid dependence on high-cost outside contractors.

In the labor market for elevator mechanics, contractor salaries are often higher than equivalent County salaries. Thus, County departments, such as the Sheriff or Health Services, can find it difficult to recruit and retain trained elevator mechanics. ISD, with the critical mass of elevator work at the Superior Courts, has effectively developed and retained County elevator mechanics through its elevator mechanic training program.

With the three-year transition of the Superior Courts away from County-provided building services to a privatized model, ISD faces the reduction of up to nine employees in the elevator mechanic series in FY 2010-11, including the loss of existing assistant

Each Supervisor  
May 20, 2010  
Page 3

elevator mechanics and the related training program. Centralizing this function was intended to retain both County elevator mechanic expertise and ISD's elevator mechanic training program.

#### Current Status

The elevator centralization proposal that is reflected in the Proposed Budget will be reversed in Final Changes. This initiative has been delayed to a future time to allow for a more thorough review of the cost-benefit of centralization for each affected department.

In the meantime, to avoid the loss of County expertise in the elevator mechanic series, this Office will work to facilitate the transfer of impacted ISD staff to fill existing vacancies at Sheriff and/or Health Services.

Further, this Office will work with ISD, Sheriff, and Health Services to maintain ISD's elevator mechanic training program as a countywide resource. ISD recently developed a proposal to share resources and costs for the elevator mechanic training program, whereby all three departments would help train and hire graduates from the four-year program. Details of this proposal have been shared with Sheriff and Health Services in advance of future discussions.

If you have any questions, please have your staff contact Ellen Sandt at (213) 974-1186 or [esandt@ceo.lacounty.gov](mailto:esandt@ceo.lacounty.gov).

WTF:ES:LS  
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c: Sheriff  
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